

REMARKS

Claims 1-36 remain pending in the application, with claims 1, 21, 32, 33, 35 and 36 being the independent claims. Reconsideration and further examination are respectfully requested.

In the Office Action, claims 1, 2, 4-7, 9, 13, 15-28 and the 30-34 have been rejected under 35 USC § 102(e) over U.S. Patent 6,901,373 (Chasko); claims 3, 35 and 36 have been rejected under § 103(a) over Chasko in view of U.S. Patent 6,343,274 (McCollom); claims 8, 12 and 14 have been rejected under § 103(a) over Chasko in view of U.S. Patent Application Publication Number 2002/0147766 (Vanska); and claims 10 and 11 have been rejected under § 103(a) over Chasko in view of U.S. Patent 6,185,683 (Ginter). Withdrawal of these rejections is respectfully requested for the following reasons.

The present invention concerns techniques for use by a merchant in customizing services and/or in targeting sales efforts. In the preferred embodiments, the present invention can accomplish one or both of these goals in a manner that achieves a good balance between (i) information that a merchant desires to obtain from the customer and (ii) information that the customer is willing to share with the merchant.

The following description summarizes a preferred embodiment of the invention, as described in more detail in the Specification. Initially, customer information is stored on a device under the control of a customer. Such information might include, e.g., historical and demographic information. See, e.g., the Abstract.

A merchant-controlled device then provides a set of business rules or procedures for evaluating some or all of such customer information in order to categorize the customer. The customer device receives these business rules or procedures and, possibly subject to any privacy

criteria specified by the customer, executes them and returns the resulting categorization to the merchant.

For example, the rules provided by the merchant might look at a variety of personal information and return one or more of the following categories that appear to pertain to the customer: "bargain hunter", "status seeker" or "gadget freak". See, e.g., page 5 lines 16-17 of the Specification.

Because the customer information preferably is stored and processed only on the customer's own device, the customer typically will be able to protect his or her privacy interests, assuming that the system is implemented to permit such protection. At the same time, because the business rules or procedures are specified by the merchant, the customer information that is returned to the merchant often can be tailored to meet the merchant's perceived needs, as specifically defined by the merchant itself.

Thus, independent claim 1 is directed to a system for customer-side market segmentation while preventing disclosure of sensitive customer information. A non-merchant-controlled device has a means for generating a category code based on a business-specific decision procedure and stored customer information, with the customer information being kept private from merchants based on specified criteria. A first merchant-controlled means provides the business-specific decision procedure to the non-merchant-controlled device, and a second merchant-controlled means receives the category code from the non-merchant-controlled device.

The foregoing combination of features is not disclosed by the applied art. For instance, Chasko says nothing at all about a non-merchant-controlled device generating a category code based on a business-specific decision procedure that has been provided by a merchant-controlled means.

In this regard, Chasko discusses the use of a smartcard by a customer during the checkout process; from the merchant's perspective, this enables tracking of the customer's purchasing habits. See, e.g., the title and Abstract of Chasko. From the customer's perspective, the smartcard functions as a loyalty card that stores information for providing rewards based on purchases made by the customer. See, e.g., column 4 lines 14-19 of Chasko.

Chasko's smartcard stores information regarding the customer's identity and regarding purchases made by the customer. See, e.g., column 4 lines 40-54 and column 5 lines 8-13 of Chasko. More specifically, the purchase information is organized according to predefined categories, e.g., based on the merchant's profit margins for different goods. See, e.g., column 4 lines 44-52 and column 5 lines 8-50 of Chasko.

For each purchase made by the customer, the customer inserts the smartcard into a reader for the merchant's point-of-sale (POS). See, e.g., column 4 lines 55-60 of Chasko. In response, the POS terminal retrieves the information stored on the smartcard, modifies the category amounts based on the current purchases, determines whether any rewards have been earned, displays notifications of any such rewards, and then stores the updated category-based purchase information back into the smartcard. See, e.g., column 5 line 57 through column 6 line 38 of Chasko.

In an alternate embodiment, apparently rather than first downloading the category-based purchase information into local memory, the POS directly accesses the memory on the smartcard and modifies such information in place. See, e.g., column 6 lines 52-56 of Chasko.

In either event, the processing is performed entirely by the POS and not by Chasko's smartcard. No business-specific decision procedure is transferred from Chasko's POS to the smartcard.

The Office Action cites Figure 3 and column 5 line 50 through column 6 line 38 of Chasko as disclosing the recited feature of "a first merchant-controlled means for providing the business-specific decision procedure to the non-merchant-controlled device". However, those portions of Chasko have been studied in detail and are not seen to say anything about this feature of the invention.

Specifically, Figure 3 of Chasko merely shows the memory contents of Chasko's smartcard. See, e.g., column 3 lines 43-44 and column 4 lines 40-52 of Chasko. As noted above, column 5 line 50 through column 6 line 38 of Chasko merely discusses the transfer of information from Chasko's smartcard to the POS, the processing of such information within the POS, and then the subsequent return of the processed information to the smartcard.

Thus, in Chasko's system the merchant-controlled device has full access to all relevant information on the non-merchant-controlled device. It is noted that this is the case even in Chasko's alternate embodiment (described at column 6 lines 52-56) in which the POS directly modifies the contents of the smartcard's memory. In either case, there is no transfer of a business-specific decision procedure and no processing by the non-merchant-controlled device with any such transferred procedure. As a result, Chasko could not have disclosed the recited feature of "a first merchant-controlled means for providing the business-specific decision procedure to the non-merchant-controlled device".

In addition, the Office Action cites Figure 3; column 2 lines 9-17, 35-37 and 42-67; column 3 lines 10-30; and column 5 lines 8-50 as showing the feature of a non-merchant-controlled device having a means for generating a category code based on the received business-specific decision. However, as noted above, Figure 3 of Chasko merely shows the memory contents of Chasko's smartcard. Column 2 lines 9-17 merely notes that it is important to

customers that they maintain privacy of information pertaining to their purchasing habits, but certainly does not say anything about the subject feature of the present invention. Column 2 lines 35-37 mentions protection of private customer information, but again does not say anything about the present feature of the invention.

Column 2 lines 42-67 notes that Chasko's portable device (i.e., smartcard) includes a processor for executing instructions and transfers "category values containing cumulative purchase values in each of different profit margin ranges . . . to the first processor," the first processor being located in the POS. Clearly, the mere transfer of category values is not equivalent to the recited feature of "*generating a category code* based on a business-specific decision procedure". In fact, everything in Chasko indicates that his category codes (or definitions) are predefined; they are not changed, either by the smartcard or by the POS. Only *data* pertaining to the accumulated purchases for each category are transferred back and forth. Moreover, all of the processing that is done in updating such data is performed by the first processor in the POS. See, e.g., column 2 lines 60-67.

Column 3 lines 10-30 of Chasko merely notes that the portable device exchanges signals with a second processor (in the POS), which second processor performs the processing to manage customer purchase information and to determine whether a reward level has been reached. This portion of Chasko also says nothing at all about the present feature of the invention.

Column 5 lines 8-50 of Chasko merely discusses the use of *predefined* categories for storing information pertaining to a customer's purchasing history. It also says nothing at all about the subject feature of the invention.

In short, Chasko clearly does not disclose the presently claimed feature of a non-merchant-controlled device generating a category code based on a business-specific decision procedure that has been provided by a merchant-controlled means. Lacking the disclosure of at least this feature, Chasko cannot be said to have anticipated independent claim 1.

Accordingly, independent claim 1 is believed to be allowable over the applied art.

Independent claim 21 is directed to a method for customer-side market segmentation, in which a business-specific decision procedure is received by a non-merchant-controlled device. A categorizer is then executed on the non-merchant-controlled device, using the received business-specific decision procedure and a set of stored customer-specific information, resulting in an identified customer category. This identified customer category is then provided.

The foregoing combination of features is not disclosed by Chasko. For instance, Chasko does not disclose at least the feature of a non-merchant-controlled device receiving a business-specific decision procedure, and then executing a categorizer using the received business-specific decision procedure and a set of stored customer-specific information, resulting in an identified customer category.

The identical grounds use in rejecting claim 1 also were stated in rejecting claim 21. Accordingly, for reasons similar to those outlined above, independent claim 21 also is believed to be allowable over the applied art.

Independent claim 32 is directed to a computer readable medium containing code sections for categorizing a customer. A first code section is for receiving a business-specific rule set from a business, and a second code section is for inputting customer-specific information and storing such information in memory. A third code section is for categorizing a customer, using the business-specific rule set received by the receiving code section and customer-specific

information stored in memory, and resulting in a customer category. A fourth code section is for sending the customer category to the business, while guarding the customer-specific information stored in memory from being sent to the business.

The foregoing combination of features is not disclosed by the applied art. For instance, Chasko says nothing at all about receiving a business-specific rule set from a business or using such a received business-specific rule set for categorizing a customer. No additional arguments beyond those set forth with respect to independent claims 1 and 21 are presented in the Office Action.

Accordingly, for similar reasons to those set forth above, independent claim 32 also is believed to be allowable over the applied art.

Independent claim 33 is directed to a computer readable medium containing code sections for use in a promotional device utilizing customer categories. A first code section is for detecting a customer-controlled categorization device, and a second code section is for sending a business-specific rule set to the customer-controlled categorization device. A third code section is for receiving a customer category from the customer-controlled categorization device, where the customer category was generated using the business-specific rule set and customer-specific information stored in memory in the customer-controlled categorization device.

The foregoing combination features is not disclosed by the applied art. For instance, referring to the analysis of Chasko set forth above, it is apparent that Chasko fails to disclose anything at all about sending a business-specific rule set to any customer-controlled categorization device or receiving a customer category back from the customer-controlled categorization device, where the customer category was generated using the sent business-

specific rule set and customer-specific information stored in memory in the customer-controlled categorization device.

Accordingly, claim 33 is believed to be allowable over the applied art.

Independent claims 35 and 36 are directed to apparatuses and techniques for use in providing customer-related information. Initially, customer information is obtained and stored. Business-specific decision procedures then may be received from any of a variety of different businesses. Upon receiving a particular business-specific decision procedure from a requesting business, the stored customer information is processed based on such particular business-specific decision procedure, subject to specified customer privacy policies, in order to obtain processed customer information. Then, the processed customer information is sent to the requesting business.

The foregoing combination of features is not disclosed or suggested by the applied art. For instance, no permissible combination of Chasko and McCollom would have disclosed or suggested anything at all about receiving a business-specific decision procedure from a requesting business or processing the customer information based on such received business-specific decision procedure, subject to specified customer privacy criteria.

In this regard, the Office Action cites the same provisions of Chasko referenced above as showing this feature of the invention. Accordingly, for similar reasons set forth above, this assertion is believed to be incorrect.

The Office Action only cites McCollom as showing the recited feature of receiving the business-specific decision procedure from different businesses. More specifically, column 2 lines 30-44 and column 12 lines 60-67 were cited as showing this feature of the invention.

In this regard, McCollom is directed to a system that allows consumers to select what advertisements they receive. Column 2 lines 30-44 concerns giving a consumer control over what advertisements the consumer is receiving and when. Column 12 lines 60-67 concerns selection of specific types of advertisements to be received. Neither portion of McCollom appears to show the subject feature of the present invention.

Accordingly, independent claims 34 and 35 also are believed to be allowable over the applied art.

The other rejected claims in this application depend from the independent claims discussed above, and are therefore believed to be allowable for at least the same reasons. Because each dependent claim also defines an additional aspect of the invention, however, the individual reconsideration of each on its own merits is respectfully requested.

In order to sufficiently distinguish Applicants' invention from the applied art, the foregoing remarks emphasize several of the differences between the applied art and Applicants' invention. However, no attempt has been made to categorize each novel and unobvious difference. Applicants' invention comprises all of the elements and all of the interrelationships between those elements recited in the claims. It is believed that for each claim the combination of such elements and interrelationships is not disclosed, taught or suggested by the applied art. It is therefore believed that all claims in the application are fully in condition for allowance, and an indication to that effect is respectfully requested.

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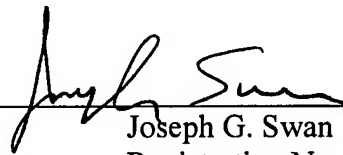
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